GOVERNMENT OF INDIA
INFORMATION AND BROADCASTING
LOK SABHA

UNSTARRED QUESTION NO:4859
ANSWERED ON:24.04.2003
FDI IN DTH SERVICE
AKHILESH SINGH

Will the Minister of INFORMATION AND BROADCASTING be pleased to state:

(a) whether before providing licence to DTH service, Governmenthas thoroughly scrutinized, if any foreign company is actually taking licence for DTH service in India through backdoor by keepingsome dummy Indian entity/company in front as Star TV has applied for DTH licence through a dummy Indian Company space TV by making two of its employees as the promoter of Space TV;

(b) if so, the facts therefor;

(c) the details of companies who have applied for licence for providing DTH service;

(d) whether the Government are trying to relook into the FDI in DTH and news uplinking services; and

(e) if so, the details thereof?

Answer

THE MINISTER OF STATE OF THE MINISTRY OF INFORMATION AND BROADCASTING (SHRI RAVI SHANKAR PRASAD)

(a) & (b): As per DTH guidelines, applicant company for obtaining DTH licence, shouldbe an Indian company registered under Companies Act, 1956. Total foreign equity holding including FDI/NRI/OCB/FII in the applicant company cannot exceed 49%.Within the foreign equity, the FDI component cannot exceed 20%. It has been informed by Space TV Private Limited that STAR TV has evinced interest in participating as equity shareholders in Space TV. For the present, equity of Rs. 10.01 crore has been put in by individuals in the employment of Star TV. Further, Space TV hasinformed that Star TV will support and assist Space TV in the execution and management of the DTH project and has agreed to provide its expertise in the management of Pay TVplatforms to Space TV. Licences for DTH service will be granted only on fulfillment of laid down eligibilitycriteria and compliance with various terms and conditions prescribed in this regard.

(c): The companies who have applied for licence for providing DTH service are -
(i) Space TV Private Limited, Mumbai
(ii) ASC Enterprises Limited;
(iii) ESSEL SHYAM Communication Ltd.

(d) & (e): There is no proposal presently to reconsider the FDI limits inDTH service.As far as the news uplinking services are concerned, the government has announced in March, 2003 the guidelines for uplinking of foreign owned news channels. These, inter-alia, permit foreign equity holding in the applicant company upto 26% of the total paid up capital and require the company to be registered in India under the Companies Act, 1956 and the majority of the Directors, CEO andNews Editors to be Resident Indians. The permission for usages of facilities/ information for live news/foreign collection and transmission, irrespective of the technologies used will be available only to those channels which are uplinked from India and the channel/company has to ensure that its news and current affairs content providers are accredited to the Press Information Bureau.